

Axelrod, Tristan G.

From: [REDACTED]
Sent: Saturday, May 13, 2023 11:01 AM
To: Axelrod, Tristan G.
Subject: Fwd: BlockFi - Chapter 11 Disclosure Statement

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From: BlockFi <blockfi@e.blockfi.com>
Date: Sat, May 13, 2023 at 4:56 AM
Subject: BlockFi - Chapter 11 Disclosure Statement
To: [REDACTED]



Dear [REDACTED]

Earlier today, BlockFi filed our Disclosure Statement with the Court. We encourage all creditors to read the Disclosure Statement in full, which can be found [here](#).

This is an important step forward in our Chapter 11 cases toward our goal of maximizing recoveries for our clients and all creditors. The Disclosure Statement outlines our financial operations and information, and also our proposed Chapter 11 Plan. The purpose of the Disclosure Statement is to provide clients with the information you need to make an informed decision about whether to vote for the Plan. You can expect more information about the voting process to follow in the coming weeks.

We believe that the Plan is the fastest way for clients to receive the highest recovery of digital assets and conclude the Chapter 11 cases as quickly as possible.

The disclosure statement provides information about a "self-liquidation transaction" through which we will directly distribute assets to creditors. The disclosure statement describes the following key features of the plan, among others:

- **Projected Recoveries:** The disclosure statement provides a table of projected recoveries categorized by type of claim. While recoveries will be based on a number of factors, the largest driver of higher recoveries are BlockFi's claims against Alameda and FTX.
- **Timing of Distributions:** After the initial distribution of assets, BlockFi will continue pursuing claims and causes of action against Alameda and FTX, among other commercial counterparties, to maximize recoveries for clients.
- **Wallet Clients:** The plan provides for the return of those non-estate digital assets held in client wallet accounts in connection with the wallet program in full, subject to applicable set offs.
- **Client Releases:** Clients will receive a release from BlockFi for any clawback claims that could be brought against them, including for transfers made prior to the platform pause on November 10, 2022.

Our disclosure statement follows months of work to

determine the value maximizing path forward embodied in the plan that we believe will be best for our clients. We prioritized putting forward a plan that emphasized client recoveries, speed of distribution, and asset safety and security. We decided that utilizing our existing platform to distribute funds was aligned with that goal.

As a next step in the process, we will be presenting our disclosure statement to the Court on June 20, 2023, for approval. Upon approval of our disclosure statement, the solicitation process will commence. During this period, the disclosure statement will be sent to certain BlockFi clients and other creditors asking them to vote to accept the plan. Additional information will be shared about the voting process upon approval of our Disclosure Statement by the Court.

You can find additional information about our disclosure statement on the FAQ [blog](#). Information regarding our cases, including Court documents and claim information, can be found by visiting BlockFi's claims agent, Kroll, at <https://restructuring.ra.kroll.com/blockfi>.

Thank you

BlockFi



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